

Sales Attributes for inclusion/exclusion in the Sales Ratio Study:

Most sales that are transacted for sale of property will follow the definition of an arm's length transaction when being evaluated for inclusion or exclusion from a County/Township's sales ratio study. There are a number of attributes listed below for sales; this is NOT an all inclusive list but is intended for use as a guide for evaluating whether a sale is valid.

Arm's Length Transaction –

1. A sale between a willing buyer and a willing seller that
 - ✓ are unrelated; and
 - ✓ are not acting under duress, abnormal pressure, or undue influences.
2. A sale between two unrelated parties, both seeking to maximize their positions from the transaction.

From: IAAO, Glossary, 2nd Edition

In the most basic definition, a sale with a Warranty/Trustee deed being advertised where the buyer/seller do not have the same surname, are not related, or are not a financial institution, is considered an arm's length transaction for inclusion on the sales ratio study detail listing.

Notes: Line 10 attributes – the letters refer to the line on the PTAX 203 form (refer to page 4 for a display of the PTAX 203, Step 1, Line 10). For purposes of the sales ratio study,

- Step 2, Line 10 a, b, c, d, f, l, k, o, and q will automatically remove the sale from the study.
- Step 2, Line 10 e, g, h, j, i, m, n do NOT automatically remove the sale from the study.
- Step 2, Line 10 p will not remove the sale but Line 16 has to be checked for Exemption K to remove the sale.

Type of Deed	Multiple PINS (Y/N)	Advertised (Y/N)	Line 9 Attributes	Line 10 Attributes	Buyer / Seller attributes	Included on Sales Ratio (Y/N)	Applicable statute
Warranty	Y	Y	None	n	Same surname	N	
This sale was removed because of the same surname for buyer/seller							
Warranty	N	N	Major remodel	None	None	N	
This sale was removed because of the major remodeling and not advertised being indicated							
Warranty	N	Y	None	h	Fin inst	Y	35 ILCS 200/1-23, 17-10
This sale is included even though the seller is a bank/government agency per the statute quoted above covering compulsory sales							
Warranty	N	Y	a-same yr as deed	None	None	Y	
This sale is included in the sales ratio study because the contract for deed date cannot be the same year as the date of the deed – the date for contract for deed would have to be at least the year prior to the date of the deed							
Warranty	N	Y	None	E	None	Y	35 ILCS 200/1-23, 17-10
This sale is included per the statute covering compulsory sales							
Warranty	Y	Y	None	G	Fin Inst	Y	35 ILCS 200/1-23, 17-10
This sale is included per the statute covering compulsory sales							
Warranty	Y	Y	None	f	None	N	
Condemnation removes a sale from the sales ratio study							
Warranty	N	Y	None	P	None	Y	
Exemption K should be checked on Step 2, Line 16 in conjunction with Step 1, Line 10p to remove this sale from the sales ratio study							
Warranty	N	Y	None	None	Buyer-Trustee	N	
Warranty	Y	Y	None	None	Seller-Heir	Y	
Warranty	Y	Y	None	None	Seller-Executor	N	

The examples of sales for Warranty Deeds will also produce the same result when the deed is changed to a Trustees Deed.

A Corporation Warranty Deed is treated similarly as a Warranty Deed. Both of these types of deed convey all rights and warrants to ownership of a property.

All other types of deeds (except Trustees Deeds) would include or specify restrictions on the conveyance of ownership and do not convey all rights and warrants.

These restrictions mostly are to protect the seller from issues that arise in the future pertaining to a clear title, etc. It should also be noted that an Executor's deed for a sale involving farmland does not remove the sale from the sales ratio study – the fact that the property is farmland is what triggers the removal from the sales ratio study.

A couple that is divorcing and do not have the same last name would not remove the sale from the study. A divorce decree that orders one of the parties to sell to the other would be required.

When the PTAX 203, Step 1, Line 7 is left blank, the Department will choose 'Y' for the sales transaction as being advertised. If there are no other attributes to remove the sale, this will include the transaction in the sales ratio study.

Reference for letters used for Line 10, attributes in matrix.

- 9** Identify any significant physical changes in the property since January 1 of the previous year and **write the date of the change**.

Date of significant change: _____ / _____
Month Year

(Mark with an "X.")

____ Demolition/damage ____ Additions ____ Major remodeling

____ New construction ____ Other (specify): _____

- 10** Identify only the items that apply to this sale. (Mark with an "X.")

a ____ Fulfillment of installment contract —

year contract initiated : _____

b ____ Sale between related individuals or corporate affiliates

c ____ Transfer of less than 100 percent interest

d ____ Court-ordered sale

e ____ Sale in lieu of foreclosure

f ____ Condemnation

g ____ Short sale

h ____ Bank REO (real estate owned)

i ____ Auction sale

j ____ Seller/buyer is a relocation company

k ____ Seller/buyer is a financial institution or government agency

l ____ Buyer is a real estate investment trust

m ____ Buyer is a pension fund

n ____ Buyer is an adjacent property owner

o ____ Buyer is exercising an option to purchase

p ____ Trade of property (simultaneous)

q ____ Sale-leaseback

r ____ Other (specify): _____

s ____ Homestead exemptions on most recent tax bill:

1 General/Alternative \$ _____

2 Senior Citizens \$ _____

3 Senior Citizens Assessment Freeze \$ _____

The following pages detail the type of proof to be provided when trying to remove a sale from the sales ratio study through the use of codes 40 through 58. Codes 01 through 28 will automatically remove a sale from the sales ratio study and explanations for these codes can be found at: <http://tax.illinois.gov/LocalGovernment/PropertyTax/LocalOfficials/CCAOProcedures.pdf>

Use Codes 40 through 58 only if you are submitting the required documentation to show that the RETD was incorrectly completed.

Code 40 “Date of Deed” – Use this code when line 4 of the RETD shows a date of deed in the wrong year. A copy of the deed must accompany the RETD when it is sent to the Department.

Code 41 “Deed Type” – Use this code when the type of deed was incorrectly specified in line 5 of the RETD. A copy of the deed must accompany the RETD when it is sent to the Department.

Code 42 “Building Added/Removed/Remodeled” – Use this code when the information on line 9 of the RETD is incorrect. Supply documentation that could take the form of a letter signed by the buyer or seller stating that line 9 of the RETD was incorrectly completed and specifying the correct information. A property record card is not acceptable documentation.

Code 43 “Contract for Deed” – use this code when the information on line 10a is incorrect, i.e., the sale was not a result of a contract for deed or the year the contract was initiated is incorrectly specified. Supply documentation that could take the form of a letter signed by the buyer or seller stating that line 10a of the RETD was incorrectly completed and specifying the correct information, or a copy of the Contract for Deed.

Code 44 “Related Parties” – Use this code when the information on line 10b is incorrect, i.e.,

- 1) The parties are related and line 10b is not checked; or
- 2) The parties are **not** related and line 10b is checked.

Submit with the RETD a letter signed by the buyer or seller stating that line 10b of the RETD was incorrectly completed and specifying the correct information.

Code 45 “Partial Interest” – Use this code when the information on line 10c is incorrect. A copy of the deed must accompany the RETD when it is sent to the Department.

Code 46 “Compulsory Transaction” – Use this code when the information on line 10d, 10e, or 10f is incorrect. If one of those lines is incorrectly **not** checked, a copy of the court order requiring the sale of the property should accompany the RETD when it is sent to the Department. If one of those lines was incorrectly checked, submit with the RETD a letter from the buyer or seller stating that the RETD was incorrectly completed and specifying the correct information.

NOTE: *This code is not longer valid beginning with declarations recorded on or after January 1, 2011. See below for new codes.*

Code 47 “Auction Sale” – Use this code when the information on line **10i** is incorrect. If line **10i** is checked and the property did not sell at auction, submit with the RETD a letter from the buyer or seller stating that the RETD was incorrectly completed and specifying the correct information. If line **10i** is not checked and the property sold at auction, submit with the RETD a letter signed by the buyer, seller, or auctioneer stating the RETD was incorrectly completed and specifying the correct information. A copy of the auction advertisement may also be used as documentation.

Code 48 “Particular Buyers/Sellers” – Use this code when the information on lines **10j, 10k, 10l, 10m, 10n, or 10o** is incorrect. Submit with the RETD a letter signed by the buyer or seller stating that the information on these lines is incorrect and specifying the correct information.

However, a letter is not required when:

- 1) Line **10j** is not checked, but the name of the buyer/seller in Step 4 on the RETD clearly indicates that the name of the buyer/seller is a relocation company. (NOTE: Relocation company transactions are included in the sales ratio study, unless excluded for another reason.)
- 2) Line **10k** is not checked, but the name of the buyer/seller in Step 4 clearly indicates that the buyer/seller is a government agency or is a financial institution as defined in the instructions for line **10k**. (“Financial Institution” includes a bank, savings and loan, credit union, Resolution Trust Company, and any entity with “mortgage company” or “mortgage corporation” as part of the business name).
- 3) Line **10l** is not checked, but the name of the buyer in Step 4 of the RETD includes “real estate investment trust”, “REIT” (NOTE: REIT transactions are included in the sales ratio study unless excluded for another reason).
- 4) Line **10m** is not checked, but the name of the buyer in Step 4 of the RETD includes “pension fund” (NOTE: pension fund transactions are included in the sales ratio study, unless excluded for another reason).
- 5) Line **10n** is not checked and county information concludes buyer is an adjacent property owner, (NOTE: transactions among adjacent property owners are used in the sales ratio study unless excluded for another reason.)

If the **buyer is a trust or trustee** and this is not indicated on the RETD, submit with the RETD a copy of the deed stating the buyer is a trust or trustee for documentation.

Code 49 “Simultaneous Trade of Property” – Use this code when the information on Line *10p* or Line 14 is incorrect. Submit a signed letter by the buyer or seller indicating that the information on Line *10p* and/or line 14 is incorrect and specifying the correct information.

Code 50 “Sale-Leaseback” – Use this code when the information on line *10q* is incorrect. Submit with the RETD a letter signed by the buyer or seller indicating the information on line *10q* is incorrect and indicating the correct information.

Code 51 “Advertised for Sale” – Use this code when the information on line 7 of the RETD is incorrect. If Line 7 is incorrectly checked “No” because the property was advertised for sale as defined in the instructions, (the property was sold using a real estate agent or advertised for sale by newspaper, trade publication, radio/electronic media, for sale sign, or word of mouth) submit with the RETD a signed and dated letter from the buyer or seller stating the manner in which the property was advertised. In any case that the property was known to be for sale by more than one person, the property is considered advertised. If Line 7 is incorrectly checked “Yes” submit with the RETD a signed and dated letter from the buyer or seller stating the property was not advertised for sale.

Code 52 “Personal Property List Incorrect” – Use this code when the personal property listing submitted with the RETD is incorrect and/or the amount on line 12a is incorrect.

- If the amount of the personal property on line 12a is understated, submit with the RETD a letter signed by the buyer or seller indicating that the personal property information is incorrect and indicating the correct information.
- If the amount of personal property on line 12a is overstated, a revised RETD or affidavit of correction must be filed with the county recorder and the additional tax must be paid. Submit the revised RETD or the affidavit of correction.
- If the information on the personal property listing is incorrect, obtain a revised copy of the personal property listing from the buyer or seller along with a letter signed by the buyer or seller indicating that the personal property listing was incorrect and that the revised copy is correct.

Code 53 “Altered Consideration” - Use this code to alert the Department that line 11 has been altered without being initialed.

Code 54 “Court-ordered sale” – Use this code when the information on line *10d* is incorrect. If this line is incorrectly not checked, a copy of a court order requiring the sale of the property should accompany the RETD when it is sent to the Department. If one of these lines was incorrectly checked, submit with the RETD a letter from the buyer or seller stating that the RETD was incorrectly completed and specifying the correct information.

NOTE: This code should be used only for declarations recorded on or after January 1, 2011.

Code 55 “Sale in lieu of foreclosure” – Use this code when the information on Line *10e* is incorrect. If this line is incorrectly not checked, a copy of a court order requiring the sale of the property should accompany the RETD when it is sent to the Department. If one of these lines was incorrectly checked, submit with the RETD a letter from the buyer or seller stating that the RETD was incorrectly completed and specifying the correct information.

NOTE: This code should be used only for declarations recorded on or after January 1, 2011.

Code 56 “Condemnation” – use this code when the information on line *10f* is incorrect. If this line is incorrectly not checked, a copy of a court order requiring the sale of the property should accompany the RETD when it is sent to the Department. If one of these lines was incorrectly checked, submit with the RETD a letter from the buyer or seller stating that the RETD was incorrectly completed and specifying the correct information.

NOTE: This code should be used only for declarations recorded after January 1, 2011.

Code 57 “Short Sale” – use this code when the information on line *10g* is incorrect. If this line is incorrectly not checked, documentation/letter must be submitted along with the declaration indicating that the property was sold for less than the amount owed to the mortgage lender or mortgagor indication the mortgagor has agreed to the sale. This documentation/letter should accompany the RETD when it is sent to the Department. If this line was incorrectly checked, submit with the RETD a letter from the buyer or seller stating that the RETD was incorrectly completed and specifying the correct information.

NOTE: This code should be used only for declarations recorded on or after January 1, 2011.

Code 58 “Bank REO (Real Estate Owned)” – Use this code when the information on line **10h** is incorrect. If this line is incorrectly not checked, a copy of a judgment of foreclosure, transfer pursuant to a deed in lieu of foreclosure, or consent judgment occurring after the foreclosure proceeding is complete should accompany the RETD when it is sent to the Department. If this line was incorrectly checked, submit with the RETD a letter from the buyer or seller stating that the RETD was incorrectly completed and specifying the correct information.

NOTE: *this code should be used only for declarations recorded on or after January 1, 2011.*